

Message Text

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PAGE 01 SANTO 02195 01 OF 02 070732Z
ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 /018 W
-----070810Z 067793 /12

R 061850Z MAY 77
FM AMEMBASSY SANTO DOMINGO
TO USDOC WASHDC
INFO SECSTATE WASHDC 564

UNCLAS SECTION 1 OF 2 SANTO DOMINGO 2195

FOR EB/OCA AND BUREAU COMMERCIAL COORDINATOR

E.O. 11652: N/A
TAGS: BEXP, AFSP, DR
SUBJECT: PROJECTED FHVAUI COMMERCIAL ACTION PROGRAM

REF: (A) STATE A-1111, (B) 76 SANTO DOMINGO 5583, (C) 76 SANTO DOMINGO A-114, (D) 76 SANTO DOMINGO A-112, (E) SANTO DOMINGO 926 (F) SANTO DOMINGO 782

SECTION 1. THE COMMERCIAL SETTING

THE DOMINICAN REPUBLIC'S ECONOMIC GROWTH, WHILE HAVING SLOWED IS, NEVERTHELESS, GROWING AT A REAL RATE OF TWO TO THREE PERCENT. THE COUNTRY'S RAPID GROWTH HAS CREATED A SHORTAGE OF ELECTRIC POWER GENERATION WHICH HAS NOT YET CAUGHT UP WITH DEMAND. LONG-TERM ECONOMIC DEVELOPMENT DEPENDS HEAVILY ON HOW RAPIDLY THE STATE-OWNED ELECTRIC COMPANY, CORPORACION DOMINICANA DE ELECTRICIDAD (CDE), INSTALLS NEW GENERATORS AND RESTORES ITS PRESENT GENERATORS TO BRING THEM UP TO THEIR RATED OUTPUT. CDE IS CURRENTLY IN THE MARKET FOR TWO 20 TO 30 MEGAWATT UNITS WITH AN APPROXIMATE COST OF \$4 MILLION EACH AND TWO 120 MEGAWATT UNITS WHICH WILL COST APPROXIMATELY \$40 MILLION PER UNIT. IN ADDITION, THE MACOET FOR SMALLER HOME AND INDUSTRIAL UNITS WILL CONTINUE TO EXPAND (REF C). THE CONSTRUCTION BOOM HAS SLOWED BUT STILL CONTINUES TO OFFER A GOOD MARKET FOR CONSTRUCTION EQUIPMENT AND SUP- UNCLASSIFIED

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PLIES. MAJOR PROJECTS UNDER STUDY OR IN THE FEASIBILITY STAGE WILL UNDOUBTEDLY CREATE A NEW CONSTRUCTION BOOM IN THE NEXT FEW YEARS. AMONG THESE PROJECTS ARE IRRIGATION AND FLOOD CONTROL DAMS, THE REHABILITATION OF THE PORT OF HAINA, SANTO DOMINGO-SANTIAGO FREEWAY, AND THE CENTRAL BANK'S TWO PROJECTS FOR CREATING THE INFRA- STRUCTURE FOR FOREIGN TOURISM, ONE ON THE NORTH COAST AND THE OTHER AT BOCA CHICA (SEE REF D). THE CONSTRUCTION OF SEVERAL LARGE HOTELS

ON THE NORTH COAST IN ADDITION TO THE INFRASTRUCTURE WILL CAUSE A CONSTRUCTION BOOM IN THAT PART OF THE COUNTRY.

THE DOMINICAN REPUBLIC CONTINUES TO BE HEAVILY DEPENDENT ON ITS AGRICULTURAL EXPORTS, ESPECIALLY SUGAR, FOR ITS FOREIGN EXCHANGE AND WILL HAVE TO CONTINUE ITS EFFORTS TO ACHIEVE SELF SUFFICIENCY IN TRADITIONAL FOODSTUFFS SUCH AS RICE TO DIMINISH ITS IMPORTS. IT WILL ALSO SEEK TO INCREASE ITS PRODUCTION OF EXPORT CROPS SUCH AS SUGAR, COFFEE, TOBACCO, COCOA, AND PLANTAIN. THE U.S. MEAT EXPORT QUOTA OF 15 MILLION LBS. WILL CONTINUE TO ENCOURAGE THE GROWTH OF LIVESTOCK. TOTAL U.S. EXPORTS TO THE DOMINICAN REPUBLIC FOR 1975 OF AGRICULTURAL MACHINERY WAS \$7.6 MILLION. THE U.S. MARKET SHARE WAS AN ESTIMATED 55 PERCENT.

THE CONSTRUCTION OF SEVERAL IRRIGATION DAMS AND DISTRIBUTION CANALS WILL BRING IN LH NEW PRODUCTION AN ESTIMATED 172,000 ACRES. THIS WILL CREATE A DEMAND FOR ADDITIONAL AGRICULTURAL MACHINERY AND SERVICES.

SECTION II. PERSONNEL RESOURCES

THE COUNTRY COMMERCIAL ACTION GROUP (CCAG)/XFOR THE DOMINICAN REPUBLIC CONSISTS OF THE DEPUTY CHIEF OF MISSION, CHAIRMAN, THE AID DEPUTY DIRECTOR, THE ECONOMIC COUNSELOR, THE COMMERCIAL ATTACHE, THE PUBLIC AFFAIRS OFFICER, AND THE AGRICULTURAL ATTACHE.

STATE-FUNDED ECONOMIC/COMMERCIAL SECTION PERSONNEL

1. ECONOMIC/COMMERCIAL COUNSELOR FSO-3 ECONOMIC NEGOTIATIONS AND PRESENTATIONS TO HOST GOVERNMENT AND OVERALL SUPERVISION

2. COMMERCIAL ATTACHE FSO-4 SUPERVISES TRADE PROMOTION AND HANDLES TRADE DISPUTES

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3. ECONOMIC OFFICER FSO-5 ECONOMIC REPORTING AND TRANUXORTATION AND COMMUNICATION MATTERS

3A. ECONOMIC UNIT SECRETARY FSO-6 HANDLES TELEPHONE INQUIRIES, CORRESPONDENCE AND FILING, AND ASSISTS VISITORS

4. COMMERCIAL SPECIALIST FSL-2 DEVELOPS AND REPORTS TRADE OPPORTUNITIES AND ASSISTS BUSINESS VISITORS

5. MARKET ANALYSIS ADVISOR FSL-2 RESEARCHES AND WRITES MARKET STUDIES AND ANSWERS AGENT/DISTRIBUTOR REQUESTS

6. COMMERCIAL SPECIALIST FSL-3 SUPERVISES THE COMMERCIAL LIBRARY AND PREPARES THE COMMERCIAL NEWSLETTER

7. COMMERCIAL UNIT SECRETARY FSL-5 HANDLES TELEPHONE INQUIRIES, CORRESPONDENCE AND FILING, AND ASSISTS VISITORS

SECTION III. REVIEW OF FY-77 COMMERCIAL ACTIVITIES

TO BE SUBMITTED WITH FINAL VERSION OF FY-78 CAP.

SECTION IV. CAMPAIGNS AND OTHER SPECIAL EFFORTS

1. CAMPAIGN NO.1 - ELECTRIC POWER GENERATION EQUIPMENT

ACTION ONE: CONTINUE TO LEND APPROPRIATE ASSISTANCE TO U.S. FIRMS BIDDING ON ELECTRIC POWER GENERATING EQUIPMENT FOR THE DOMINICAN ELECTRIC CORPORATION (CDE) SRS AS DIESEL FUEL TURBO GENERATORS, STEAM GENERATORS, AND SUBSTATIONS.

ACTION TWO: ECONOMIC COUNSELOR AND COMMERCIAL ATTACHE WILL CONTINUE TO MAINTAIN CLOSE RELATIONS WITH CDE DIRECTOR AND OTHER CDE PERSONNEL.

ACTION THREE: ECON/COMMERCIAL SECTION WILL CONTINUE TO IMPRESS UPON CDE OFFICIALS AND MINISTER OF FINANCE THE NECESSITY FOR CDE TO KEEP CURRENT IN PAYMENT OF ITS DEBTS TO EXIMBANK TO ALLOW FOR ADDITIONAL EXIMBANK FINANCING OF MAJOR CDE PURCHASES.

ACTION FOUR: COMATT WILL CULTIVATE GOOD RELATIONSHIPS WITH THE DIRECTOR OF ENGINEERING DEPARTMENT OF CDE.

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ACTION FIVE: CONTINUE ACTIVELY TO SEEK TRADE OPPORTUNITIES ON THE SMALL-TO-MEDIUM GENERATOR SECTOR AND TO INTEREST US NEW-TO-MARKET FIRMS IN ACQUIRING AGENTS AND DISTRIBUTORS. USIS WILL OBTAIN FILMS AND PRINTED MATERIAL ON LATEST TRENDS IN US TECHNOLOGY IN ENERGY FIELD FOR APPROPRIATE DISTRIBUTION.

2. CAMPAIGN NO. 2 - CONSTRUCTION SECTOR

ACTION ONE: CONTINUE TO LEND APPROPRIATE ASSISTANCE TO U.S. FIRMS COMPETING FOR MAJOR GOVERNMENT CONSULTING AND/OR CONSTRUCTION CONTRACTS, ESPECIALLY THE FOLLOWING: REHABILITATION OF THE PORT

OF HAINA, SANTO DOMINGO-SANTIAGO FREEWAY, TOURISM INFRASTRUCTURE AND HOTEL CONSTRUCTION, AND DAM AND IRRIGATION CONSTRUCTION.

ACTION TWO: EMBASSY'S POLITICAL SECTION WILL ACTIVELY SEEK INFORMATION ON NEW CONSTRUCTION PROJECTS IN ITS CONTACTS WITH GOVERNMENT DECISION MAKERS.

ACTION THREE: CONTINUE TO SUBMIT CHANGES IN STATUS ON MAJOR PROJECTS AS THEY OCCUR AND VERY SIX MONTHS SUBMIT A COMPREHENSIVE STATUS REPORT ON ALL MAJOR PROJECTS.

ACTION FOUR: ECONOMIC COUNSELOR AND COMMERCIAL ATTACHE WILL CONTINUE TO MEET REGULARLY WITH THE DIRECTOR OF INFRATUR, THE CENTRAL BANK'S AGENCY IN CHARGE OF THE NORTH COAST TOURIST DEVELOPMENT PROJECT AND BOCA CHICA, TO OBTAIN UP-TO-DATE INFORMATION ON LATEST DEVELOPMENTS.

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INFO SECSTATE WASHDC 565

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3. CAMPAIGN NO. 3 - AGROBUSINESS

ACTION ONE: THE EMBASSY CCAG WILL CONTINUE TO IDENTIFY AREAS
IN WHICH THE GODR AGR
RULTURAL DEVELOPMENT PLAN OFFERS TGIDE
OPPORTUNITIES. CONTACT WITH DECISION MAKERS AT DIFFERENT AGENCIES
WILL BE MAINTAINED.

ACTION TWO: AGATT AND COMATT WILL MAINTAIN CLOSE CONTACT WITH
CEDOPEX REGARDING NEW US LEGISLATION AFFECTING THE DR'S EXPORTS
TO THE US.

ACTION THREE: COMMERCIAL SECTION WILL ACTIVELY SEEK TRADE
OPPORTUNITIES RELATED TO AGROBUSINESS SUCH AS INSECTICIDES, HERBI-
CIDES, MACHINERY, SUPPLIES AND IRRIGATION EQUIPMENT.

4. CAMPAIGN NO. 4 - FOREIGN BUYERS PROGRAM

ACTION ONE: PROMOTE BY DIRECT MAILING OR PERSOCFL CONTACTS
THE FOLLOWING US TRADE SHOWS (REF D):

1977
NATIONAL ASSOCIATION OF FOOD EQUIPMENT MANUFACTURERS
SHOW (NAFEM/77) - SEPT. 24-27.

INTELCOM '77 (WORLD COMMUNICATIONS EXPOSITION)
OCTOBER 9-15.

BUILDING & CONSTRUCTION EXPOSITION AND CONFERENCE
NOVEMBER 1-3.

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AUTOMOTIVE PARTS & ACCESSORIES SHOW
NOVEMBER 15-17.

36TH EXPOSITION OF CHEMICAL INDUSTRIES
DECEMBER 5-8.

1978

1978 INTERNATIONAL CONCRETE & AGGREGATES SHOW
JANUARY 22-26.

NATIONAL SPORTING GOODS ASSOCIATION SHOW
JANUARY 26-29.

INTERNATIONAL EXPOSITION FOR FOOD PROCESSORS
FEBRUARY 12-15.

INTERNATIONAL TRUCKING SHOW
MAY 10-12.

NATIONAL HARDWARE SHOW
AUGUST 14-17.

INTERNATIONAL MACHINE TOOD SHOW
SEPTEMBER 6-15.

AMERICAN HOSPITAL ASSOCIATION CONVENTION
SEPTEMBER 11-14.

INTERNATIONAL WOODWORKING MACHINERY AND FURNITURE SUPPLY SHOW
SEPTEMBER 16-20.

NATIONAL PACKAGING WEEK EXPO & ASSEMBLY
OCT. 30 - NOV. 3

FOOD & DAIRY EXPOSITION '78
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NOVEMBER 5-9.

5. CAMPAIGN NO. 5 - MINI-MARKET SURVEYS

ACTION ONE: COMPLETE BY DECEMBER 31, 1977, A MINI-MARKET
STUDY ON PLASTICS INDUSTRY MACHINERY AND EQUIPMENT AND TRADE
LISTS.

ACTION TWO: COMPLETE BY MARCH 31, 1978, A MINI-MERKET STUDY
ON PHARMACEUTICAL PRODUCTS AND TRADE LISTS.

ACTION THREE: COMPLETE BY JUNE 30, 1978, A MINI-MARKET STUDY
ON THE PAPER AND RELATED PRODUCTS INDUSTRY IN THE DOMINICAN
REPUBLIC.

ACTION FOUR: COMPLETE BY SEPTEMBER 30, 1978, A MINI-MARKET
STUDY ON REAL ESTATE IN THE DOMINICAN REPUBLIC.

6. CAMPAIGN NO. 6 - MULTI-PROGRAM TRADE PROMOTION

ACTION ONE: THE AMBASSADOR AND OTHER SENIOR EMBASSY OFFICERS
WILL CONTINUE TO MEET REGULARLY WITH BOARD MEMBERS OF THE AMERICAN

CHAMBER OF COMMERCE TO EXCHANGE INFORMATION ON OPPORTUNITIES FOR ENGINEERING, CONSULTING, OR CONSTRUCTION SERVICES AND TO MAINTAIN BUSINESS COMMUNITY/EMBASSY CONTACT ON A REGULAR BASIS.

ACTION TWO: ECON/COMMERCIAL SECTION REPRESENTATIVE WILL CONTINUE TO MAKE MONTHLY VISITS TO SANTIAGO, SECOND LARGEST CITY OF THE COUNTRY, TO CONFER WITH LEADERS AND BUSINESSMEN.

HP ACTION THREE: EMBASSY WILL CONTINUE TO WORK CLOSELY WITH THE PUERTO RICAN COMMERCIAL OFFICE IN SANTO DOMINGO AND ASSIST IT IN ITS TRADE PROMOTION EFFORTS.

ACTION FOUR: THE CCAG WILL MEET AT REGULAR INTERVALS TO REVIEW THE PROGRESS OF THE CAP AND TO EXCHANGE INFORMATION OF GENERAL INTEREST.

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Executive Order: N/A
Errors: N/A
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Status: NATIVE
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Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/88b50799-c288-dd11-92da-001cc4696bcc
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